

George A. Davis
 CADWALADER, WICKERSHAM & TAFT
 One World Financial Center
 New York, NY 10281
 Telephone No.: (212)504-6000
 Facsimile No.: (212) 504-6666

E-FILED on May 25, 2007

Peter C. Bernhard (Nevada Bar No. 0734)
 Georganne W. Bradley (Nevada Bar No. 1105)
 BULLIVANT HOUSER BAILEY PC
 3980 Howard Hughes Pkwy., Ste. 550
 Las Vegas, NV 89169
 Telephone No.: (702) 650-6565
 Facsimile No.: (702) 650-2995
 E-Mail: peter.bernhard@bullivant.com
georganne.bradley@bullivant.com
 Counsel for Compass USA SPE, LLC
 and Compass Financial Partners, LLC

**UNITED STATES BANKRUPTCY COURT
 DISTRICT OF NEVADA**

In re:
 USA COMMERCIAL MORTGAGE COMPANY,
 Debtor.

Case No. BK-S-06-10725 LBR
 Case No. BK-S-06-10726 LBR
 Case No. BK-S-06-10727 LBR
 Case No. BK-S-06-10728 LBR
 Case No. BK-S-06-10729 LBR

In re:
 USA CAPITAL REALTY ADVISORS, LLC,
 Debtor.

In re:
 USA CAPITAL DIVERSIFIED TRUST DEED
 FUND, LLC,
 Debtor.

Chapter 11

Jointly Administered Under
 Case No. BK-S-06-10725 LBR

In re:
 USA CAPITAL FIRST TRUST DEED FUND,
 LLC,
 Debtor.

**EX PARTE APPLICATION FOR
 ORDER SHORTENING TIME TO HEAR
 EMERGENCY MOTION OF COMPASS
 FINANCIAL PARTNERS, LLC
 FOR ORDER PURSUANT TO
 11 U.S.C. §§ 105 AND 1141
 ENFORCING CONFIRMATION ORDER
 AND FOR CIVIL CONTEMPT
 SANCTIONS**

In re:
 USA SECURITIES, LLC,
 Debtor.

Date: OST Requested
 Time: OST Requested

Affects:

- ☐ All Debtors
☒ USA Commercial Mortgage Company
☐ USA Securities, LLC
☐ USA Capital Realty Advisors, LLC
☐ USA Capital Diversified Trust Deed Fund, LLC
☐ USA First Trust Deed Fund, LLC

BullivantHouser|Bailey PC

3980 Howard Hughes Pkwy., Suite. 550
 Las Vegas, NV 89169
 Telephone: (702) 650-6565
 Facsimile: (702) 650-2995

\\\\\\\\

\\\\\\\\

1 Compass USA SPE LLC, and its servicer, Compass Financial Partners, LLC
 2 (collectively, "Compass"), by and through their attorneys of record, hereby file this Ex Parte
 3 Application for Order Shortening Time to Hear Emergency Motion of Compass Financial
 4 Partners, LLC For Order Pursuant to 11 U.S.C. §§ 105 and 1141 Enforcing Confirmation Order
 5 and for Civil Contempt Sanctions, and in support thereof, state as follows:

6 1. Compass has, contemporaneously herewith, filed an Emergency Motion of
 7 Compass Financial Partners, LLC, for Order Pursuant to 11 U.S.C. §§ 105 and 1141 Enforcing
 8 Confirmation Order and for Civil Contempt Sanctions (the "Motion") The Motion was filed as
 9 a result of a series of actions taken between May 18, 1007 and May 21, 2007 by Donna
 10 Cangelosi, Todd Hansen, and the Lender Protection Group (collectively, for purposes of this
 11 application, the "LPG"). Specifically, the LPG has recently taken the following actions:

12 (a) On or around May 2, 2007, the LPG's lawyer established approximately
 13 50 new Nevada limited liability companies (the "New LLCs"), apparently to acquire and hold
 14 interests of Direct Lenders in each of the loans.

15 (b) On May 16, 2007, the LPG's lawyer established a new Nevada limited
 16 liability company named "Lender 2 Lender, LLC" ("L2L"), apparently to collect loan payments
 17 and service the loans.

18 (c) On May 18, 2007, Cangelosi, as manager of the manager of each of the
 19 New LLCs, sent a letter to each and every borrower under the corresponding loans stating that
 20 the Direct Lenders holding in excess of the 51% of the beneficial interests in the loan had
 21 terminated Compass as servicer and replaced Compass with L2L (the "Threat Letters").
 22 Further, the Threat Letters state that "Compass is not authorized to act on behalf of the lenders
 23 of the Loan for any purpose whatsoever", and warned the borrowers that, notwithstanding their
 24 payment obligations under the loans, "[a]ll payments made to Compass shall be at your own
 25 peril". In each letter, Cangelosi directs the borrowers to make all loan payments to L2L, and to
 26 contact L2L for all information regarding the loan. On the same date, Cangelosi sent letters to
 27 Compass advising Compass of the purported termination of its rights to service the subject loans
 28 (collectively, the "Termination Letters"). These actions ignore the requirements of the Loan

1 Servicing Agreement and this Court's Confirmation Order and instead purport to terminate the
2 Loan Servicing Agreements effective immediately, without advance notice to Compass or any
3 attempt to justify their actions based on purported defaults under the Loan Servicing
4 Agreements.

5 (d) On May 21, 2007, each of the New LLCs, represented by the LPG's
6 lawyer, filed a complaint in the United States District Court for the District of Nevada against
7 Compass, its principals, and its lenders, asking that court to issue a declaratory judgment that
8 would invalidate provisions of this Court's Confirmation Order. The New LLCs claim that they
9 have an absolute right to replace Compass as the servicer of the loans, without regard to
10 Compass' rights under the Confirmation Order and/or the Loan Servicing Agreements.

11 2. Payments under a significant number of the loans will become due at the
12 beginning of June. Absent immediate intervention by the Court, the LPG's latest effort to
13 circumvent this Court's jurisdiction and exercise self-help is likely to have its intended effect:
14 to wreak havoc among the borrowers and potentially render the Loan Servicing Agreement
15 valueless. Indeed, Compass has already received communications from borrowers expressing
16 confusion as to the legitimacy and effect of the Threat Letters and others have refused to
17 acknowledge Compass as the servicer of their Loans. The situation will surely be exacerbated
18 as borrowers are faced at the beginning of June with the difficult decision of whether to remit
19 timely payments to Compass, to the newly created L2L entity, or to not remit payment at all.
20 The LPG's continued disregard of this Court's orders and efforts to retaliate against Compass on
21 account of rights properly granted to Compass pursuant to agreements approved by this Court
22 must not be countenanced, particularly given that the latest victim is not only Compass, but also
23 the borrowers.

24 3. Accordingly, Compass filed its Motion through which it is asking this Court to
25 enforce the Confirmation Order by ordering that the effectiveness of the Threat Letters and the
26 Termination Letters will be stayed pending an evidentiary hearing before this Court at which the
27 Direct Lenders will be given the opportunity to demonstrate that the purported termination of
28 the Loan Servicing Agreements is proper procedurally and substantively under the terms of the

1 relevant Loan Servicing Agreements. In addition, in light of the willful disregard of the Court's
2 orders, Compass is asking this Court to impose civil contempt sanctions against Cangelosi,
3 Hansen, and the LPG.

4 4. Notice can be shortened pursuant to Bankruptcy Rule 9006(c)(1) and LR
5 9006(a).

6 5. For the reasons stated above, Compass respectfully requests that the Court grant
7 this application and hear the Motion on shortened time on or before June 1, 2007.

8 Dated this 25th day of May, 2007.

9 CADWALADER, WICKERSHAM & TAFT
10 -and-
11 BULLIVANT HOUSER BAILEY, PC

12 By: /s/ Georganne W. Bradley
13 Georganne W. Bradley, Esq.
14 3980 Howard Hughes Pkwy., Ste. 550
15 Las Vegas, Nevada 89169
16 *Attorneys for Compass USA SPE, LLC and*
17 *Compass Financial Partners, LLC*

Bullivant|Houser|Bailey PC

3980 Howard Hughes Pkwy., Suite. 550
Las Vegas, NV 89169
Telephone: (702) 650-6565
Facsimile: (702) 650-2995